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PERSONAL INCOME IN THE PLAINS STATES

Nebraska's personal income was $20,175 million in the first quarter of 1985 according to the Bureau of Economic Analysis. Compared with one year ago, Nebraska personal income is up 1.7 percent.

Wages and salaries were a very important factor in boosting income above year ago levels. Nebraskans' wages and salaries rose 7.3 percent (Table 1) in the first quarter of 1985 compared to a year ago, well above the estimated 4.0 percent increase in the Consumer Price Index during the same interval. Nebraska's nonagriculture economy is expanding at a rate well above the national average, but the agriculture component pulls Nebraska below the national average. Nonfarm personal income was 8.8 percent above year ago levels.

Personal income data provided by the Bureau of Economic Analysis of the U.S. Department of Commerce has been revised through the first quarter of 1978. Major revisions were made in farm proprietors' income, which will affect Nebraska more than most states. The year's quarters are indicated by the number following the colon. For example, 1978:4 refers to the fourth quarter of 1978.

REGIONAL COMPARISON

Data in Table 2 provide a regional overview of personal income for the fourth quarters of 1978, 1982, 1984 and the first quarter of 1985. The fourth quarter was selected for comparability. The years 1978, 1982, and 1984 were chosen to illustrate the effects of the recession and the recovery from that recession. Data for 1985 are added as they are the most recent information available. (See Figure 1)

The recession of 1980-1982 hit the Great Lakes the hardest. The region lost almost two percentage points in its share of United States personal income. In the fourth quarter of 1978, the Great Lakes personal income share of total U.S. personal income was 19.6 percent. Four years later it was 17.6 percent. The Mideast and the Plains regions also suffered declines in their shares of United States personal income, but the decreases were nowhere near the magnitude of that recorded by the Great Lakes.

Regions gaining in personal income were the South, West, and New England. The Southwest achieved a 1.0 percent jump in its share of personal income over the interval fourth quarter of 1978 compared to the same quarter of 1982.

The same regions which fared well during the recession have led during the recovery interval--that is, the fourth quarter of 1982 compared with the fourth quarter of 1984. New England has led all areas with a 20.7 percent increase in the recovery period. The Southeast experienced an 18.5 percent gain in its income and the Far West recorded a 17.4 percent rise in income. The Southwest and the Rocky Mountain area slipped below the average United States gain in the recovery phase and lost in terms of relative share of United States personal income. Declining energy

(continued on page 3)

Table 1
Personal Income and Wages and Salaries
Nebraska and United States
(in millions of $)

Nebraska Personal Income	Total Income	Annual Change	Nonfarm Income	Annual Change	Wages and Salaries	Annual Change
1978:4	12,622	14.23%	11,396	11.27%	7,215	12.88%
1982:4	17,639	3.78	16,701	6.82	9,569	4.33
1984:4	19,929	5.38	19,191	9.22	10,659	7.38
1985:1	20,175	1.67	19,530	8.80	10,784	7.25
United States Personal Income	**Total Income**	**Annual Change**	**Nonfarm Income**	**Annual Change**	**Wages and Salaries**	**Annual Change**
1978:4	1,814,273	13.17%	1,777,169	12.99%	1,155,448	13.13%
1982:4	2,629,632	5.29	2,593,564	5.51	1,579,384	3.49
1984:4	3,082,902	9.05	3,043,850	8.80	1,837,399	7.72
1985:1	3,129,096	7.66	3,095,905	8.02	1,872,297	7.26

Source: U.S. Department of Commerce, Bureau of Economic Analysis and *Survey of Current Business*, April 1985.

FIGURE 1
Percentage Change
1978:4 to 1985:1

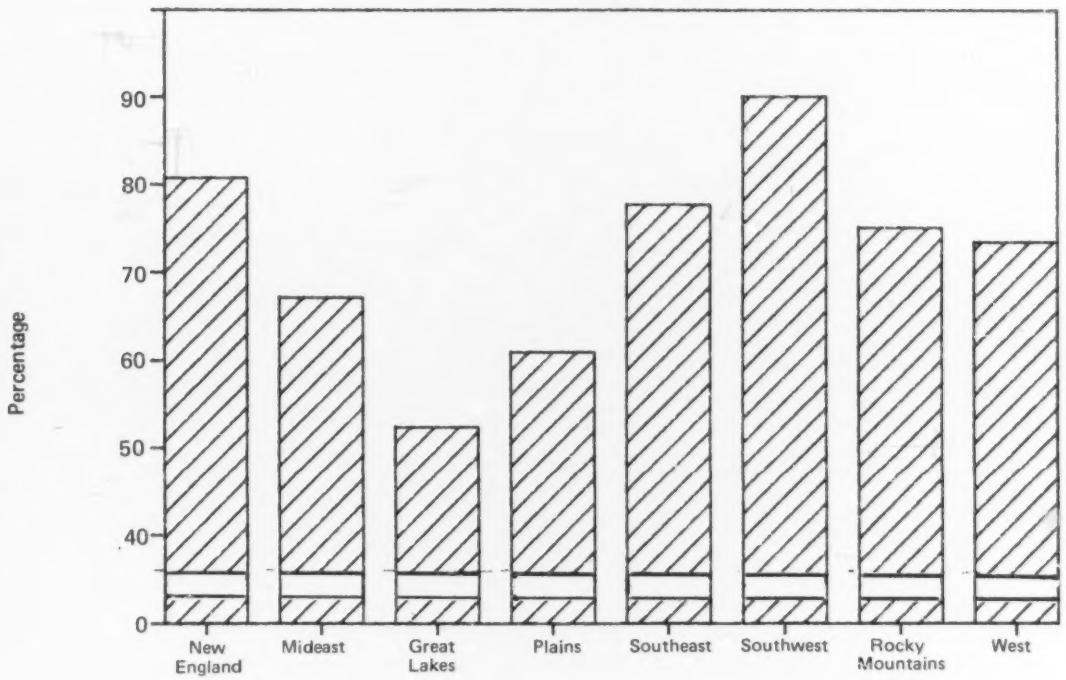


FIGURE 2
Share of U.S. Personal Income
(seasonally adjusted at annual rates)

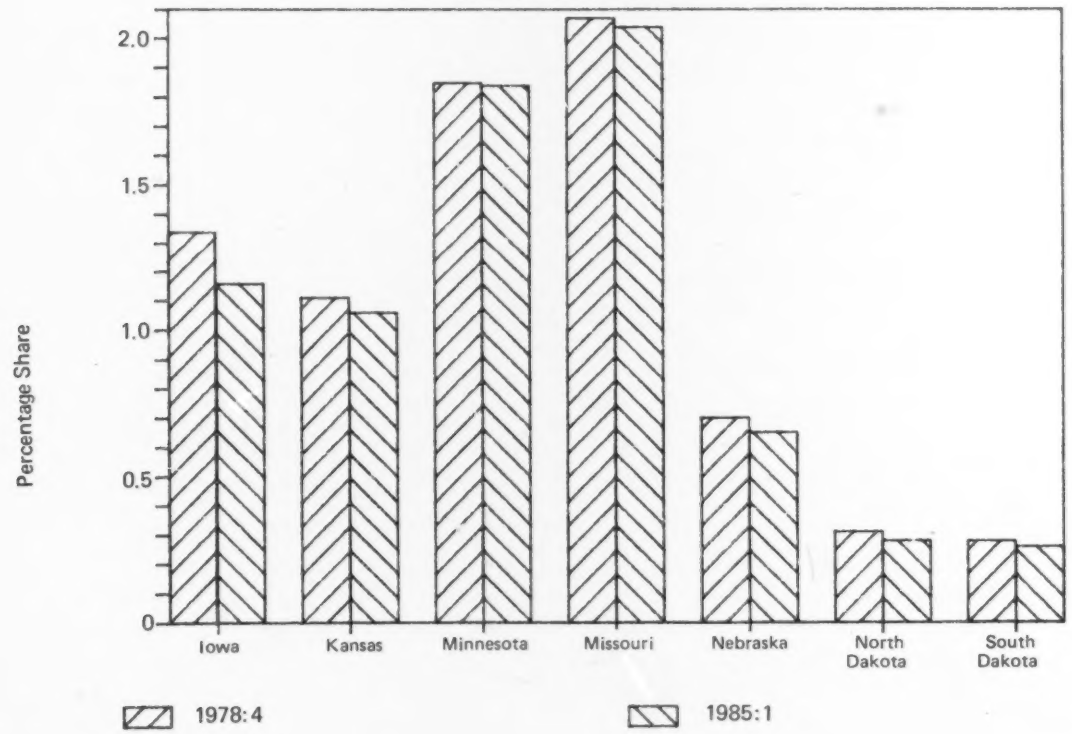


TABLE 2
Personal Income in Millions of Current Dollars
(seasonally adjusted at annual rates)

	Quarterly Personal Income				Percentage Share of U.S.				Percentage Change 4th Quarter-4th Quarter		
	1978:4	1982:4	1984:4	1985:1	1978:4	1982:4	1984:4	1985:1	1978-82	1982-84	1978-84
UNITED STATES	1,814,273	2,629,632	3,082,902	3,129,096	100.00	100.00	100.00	100.00	44.94	17.24	69.92
New England	103,102	154,512	186,448	190,234	5.68	5.88	6.05	6.08	49.86	20.67	80.84
Mideast	364,389	523,145	609,399	619,614	20.08	19.89	19.77	19.80	43.57	16.49	67.24
Great Lakes	355,395	462,644	541,915	548,930	19.59	17.59	17.58	17.54	30.18	17.13	52.48
Plains	138,533	193,120	223,056	224,422	7.64	7.34	7.24	7.17	39.40	15.50	61.01
Southeast	358,381	537,838	637,164	647,416	19.75	20.45	20.67	20.69	50.07	18.47	77.79
Southwest	156,498	256,105	297,460	301,767	8.63	9.74	9.65	9.64	63.65	16.15	90.07
Rocky Mountains	49,383	75,528	86,527	87,861	2.72	2.87	2.81	2.81	52.94	14.56	75.22
Far West	288,590	426,741	500,932	508,853	15.91	16.23	16.25	16.26	47.87	17.39	73.58
PLAINS STATES											
Iowa	24,237	31,593	35,660	35,776	1.34	1.20	1.16	1.14	30.35	12.87	47.13
Kansas	20,055	28,985	32,666	32,683	1.11	1.10	1.06	1.04	44.53	12.70	62.88
Minnesota	33,542	47,669	56,057	56,631	1.85	1.81	1.82	1.81	42.12	17.60	67.12
Missouri	37,510	52,886	62,256	62,774	2.07	2.01	2.02	2.01	40.99	17.72	65.97
Nebraska	12,622	17,639	19,929	20,175	0.70	0.67	0.65	0.64	39.75	12.98	57.89
North Dakota	5,563	7,572	8,500	8,484	0.31	0.29	0.28	0.27	36.11	12.26	52.80
South Dakota	5,004	6,776	7,988	7,899	0.28	0.26	0.26	0.25	35.41	17.89	59.63

Source: U.S. Department of Commerce, Bureau of Economic Analysis and *Survey of Current Business*, April 1985.

(continued from page 1)
prices undoubtedly contributed to the slippage for these two regions.

The Plains region recorded a meager 15.5 percent increase in income in this recovery period, about two percentage points less than that for the nation as a whole. Only the Rocky Mountain region fared more poorly than the Plains during this recovery interval of fourth quarter of 1982 through fourth quarter of 1984.

PLAINS REGION

Over the interval fourth quarter 1978 through the fourth quarter 1982, the Plains recorded a 39.4 percent gain in personal income--that amount is about 90.0 percent of the increase registered in the United States. The only area to perform less favorably than the Plains was the Great Lakes. Kansas, Minnesota, Missouri, and Nebraska recorded increases in personal income above that for the region over the interval fourth quarter of 1978 through the same quarter of 1982. Nebraska's gain was a scant three-tenths of one percent above the average for the Plains. (See Figure 2.)

In the recovery period, however, Nebraska has lagged the Plains and the United States rather dramatically. From the fourth quarter of 1982 through the fourth quarter of 1984, the Plains region experienced a 15.5 percent increase in personal income, which is far less than the 17.2 percent experienced by the country as a whole. Nebraska recorded a 13.0 percent gain in personal income over the interval. Minnesota, South Dakota, and Missouri recorded growth above the national average, but all other states in the area, including Iowa, Kansas, Nebraska, and North Dakota, were below the U.S. average during the period specified.

The Plains States in the first quarter of 1985 constituted 7.2 percent of total United States personal income, compared to 7.6 percent six years ago. This decline of four-tenths of one percentage point may not seem like much when expressed in percentage terms, but in dollars it amounts to $14.6 billion--a more impressive figure. In other words, if the Plains States had maintained 7.64 percent of total U.S. personal income, first quarter 1985 total personal income for the area would have been $239 billion. The Bureau of Economic Analysis, however, reports that Plains personal income was only $224.4 billion.

Nebraska lost approximately $1.7 billion in this regional shift in income. If Nebraska had the same share of United States personal income in the first quarter of 1985 as it had in the fourth quarter of 1978, personal income would have been $21.90 billion, as compared to the actual reported amount of $20.175 billion. Of course, the United States economy is dynamic--shifts can be expected in income and employment amoung industries, occupations, and regions. If the residents of the Plains or other areas feel that they are not getting their due share of personal income, it is incumbent upon the inhabitants to correct the difference by promoting economic development and encouraging diversification.

SUMMARY

Nebraska's personal income and wages and salaries have grown at about four-fifths of national levels. Nebraska has managed to keep pace with the nation only during the past two quarters, the fourth quarter of 1984 and the first quarter of 1985.

DONALD E. PURSELL

Review and Outlook

Nebraska's nonagriculture sector of the economy recorded a solid gain in May as measured by the Bureau of Business Research's net physical volume index. The index was up 1.3 percent on a month-to-month basis. Cash farm marketings were not available--this series is expected to be ready for publication soon

Construction, manufacturing, and trade recorded increases on a month-to-month basis. Construction registered a sharp 9.7 percent gain, which reflects seasonal trends and lower interest rates.

The manufacturing component of the index recorded a 2.6 percent jump on a monthly basis. Although the increase in this component of the index indicates more activity in the manufacturing sector, output from Nebraska's manufacturing sector in May 1985 was below that of May 1981. The distributive trade component of the Bureau of Business Research's net physical volume index grew 0.6 percent from month earlier levels.

The net physical volume index prepared by the Bureau of Business Research measures the real output of goods and services. When the index increases, it indicates that output has risen--when the index falls, it means output has decreased. Income and employment may or may not follow the net physical volume index. An increase in output, for instance, may be the result of a gain in productivity, with no change in income or the number of persons employed. Likewise, a drop in the net

(continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes--see Table 5, page 5.

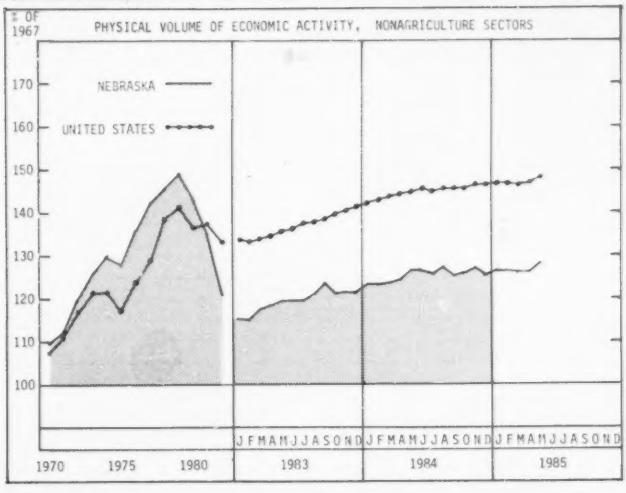
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

May 1985	Current Month as Percent of Same Month Previous Year		1985 to date as percent of 1984 to date	
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	NA	NA	NA	NA
Agricultural	NA	NA	NA	NA
Nonagricultural	104.9	105.7	105.8	106.1
Construction	92.3	107.6	95.9	107.4
Manufacturing	101.1	100.3	102.5	101.8
Distributive	105.1	107.4	105.6	107.4
Government	114.3	106.7	114.6	106.8
Physical Volume	NA	NA	NA	NA
Agricultural	NA	NA	NA	NA
Nonagricultural	101.4	102.4	102.2	102.7
Construction	90.2	105.2	92.5	103.5
Manufacturing	101.5	99.9	102.5	101.2
Distributive	101.3	103.5	101.9	103.6
Government	105.0	101.6	105.6	101.5

2. CHANGE FROM 1967

Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	NA	NA
Agricultural	NA	NA
Nonagricultural	382.8	448.6
Construction	319.6	453.4
Manufacturing	380.2	325.8
Distributive	386.0	515.3
Government	417.6	454.2
Physical Volume	NA	NA
Agricultural	NA	NA
Nonagricultural	128.3	147.8
Construction	90.0	127.7
Manufacturing	152.8	127.4
Distributive	120.1	160.4
Government	151.3	150.6

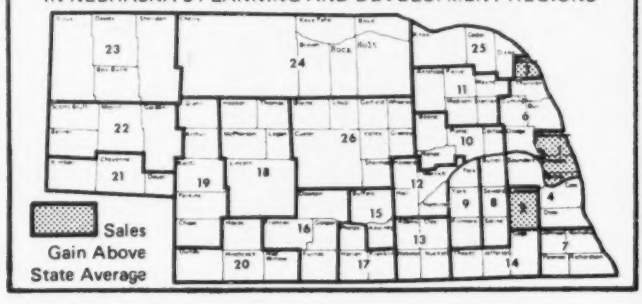


3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES

Region Number[1] and City	City Sales[2] May 1985 as percent of May 1984	Sales in Region[2] May 1985 as percent of May 1984	Sales in Region[2] 1985 to date as percent of 1984 to date
The State	97.2	97.2	101.9
1 Omaha	101.7	101.5	108.6
Bellevue	115.4		
Blair	102.1		
2 Lincoln	101.4	102.1	105.3
3 So. Sioux City	104.2	99.0	101.9
4 Nebraska City	94.9	98.1	94.7
6 Fremont	99.7	92.5	95.8
West Point	91.7		
7 Falls City	92.0	100.0	95.3
8 Seward	91.0	93.0	90.2
9 York	95.7	89.7	93.7
10 Columbus	95.0	88.8	93.5
11 Norfolk	94.3	92.1	97.1
Wayne	89.0		
12 Grand Island	91.6	90.7	97.9
13 Hastings	91.3	91.4	95.2
14 Beatrice	96.3	91.8	93.4
Fairbury	95.0		
15 Kearney	98.3	95.2	94.6
16 Lexington	98.5	86.1	92.3
17 Holdrege	88.2	86.4	90.8
18 North Platte	92.5	93.9	92.9
19 Ogallala	93.0	90.2	89.8
20 McCook	94.1	92.5	94.7
21 Sidney	100.9	89.9	100.1
Kimball	77.1		
22 Scottsbluff/Gering	103.9	100.2	98.7
23 Alliance	106.2	97.1	98.7
Chadron	100.5		
24 O'Neill	94.7	97.4	93.9
25 Hartington	89.8	91.0	92.9
26 Broken Bow	92.5	90.8	93.5

[1] See region map below.
[2] Sales on which sales taxes are collected by retailers located in the state. Region totals include motor vehicle sales; city totals exclude motor vehicle sales.
Compiled from data provided by Nebraska Department of Revenue.

1985 YEAR TO DATE AS PERCENT OF 1984 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



(continued from page 4)

physical volume index does not mean that income or employment has decreased. Output may have declined because of a fall in productivity due to some disruption in production. Of course, if output declines (or increases) for several months, it is likely that income and employment will also decline (or increase).

While output expanded in the Nebraska economy in May 1985 compared with May 1984, retail sales sagged. Total retail sales were down 2.8 percent on a dollar volume basis. When adjusted for price changes, total sales contracted 5.1 percent.

Motor vehicle sales fell 2.9 percent on a dollar volume basis or 5.6 percent when adjusted for price changes. Nonmotor vehicle sales dropped 2.8 percent on a dollar volume basis or 5.0 percent when adjusted for price changes.

Among Nebraska's cities, Chadron's city business index tops the list this month. Construction activity has boosted Chadron during the past few months. Bellevue and Fairbury ranked second and third among Nebraska communities. Omaha and Lincoln were above the state average, but Omaha's indicators slipped into negative territory.

Nebraska's series of leading economic indicators, developed by Charles Bare of the Bureau of Business Research, moved up slightly for the second consecutive month. At the national level, the series of leading economic indicators has increased for two consecutive months. Second quarter gross national product rose a disappointing 2.0 percent, only slightly changed from the first quarter of 1985.

In the coming months the national economy is expected to expand at about 3.0 to 4.0 percent in real terms. This will carry into the urban portions of Nebraska as employment and income gains. The nonmetropolitan portions of the state will show little change in economic activity. Cattle prices may improve during the last half of 1985, but grain prices are expected to stagnate. Grain producers are more likely to receive a boost in income in the form of guarantees or subsidies than they are from an increase in export business. Despite a 30 to 40 percent decline in the value of the U.S. dollar, American grains are still priced well above world market levels, which will continue to impede grain exports. Nonmetropolitan Nebraska remains more dependent upon agriculture than the urban areas, so growth is likely to be very limited in the coming months.

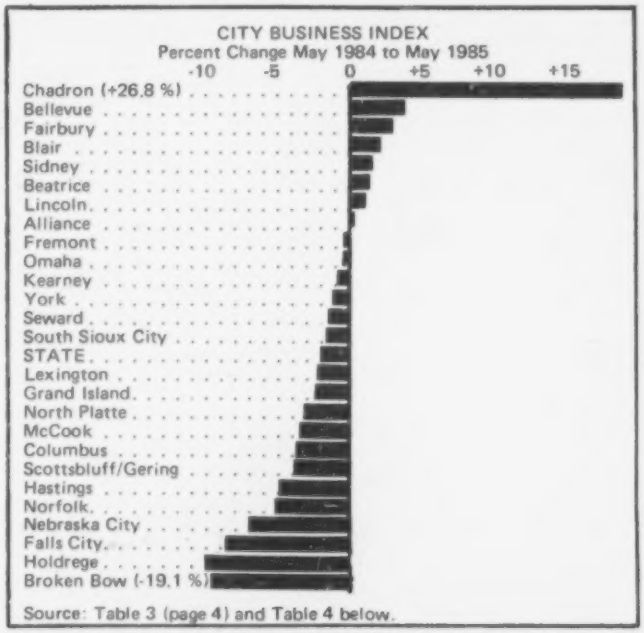
The dichotomy in Nebraska's economy continues--it is illustrated by the fact that Nebraska ranked 14th out of the 50 states in wage and salary gains during the first quarter of 1985. Most of this increase is attributed to gains in income and employment in the metro areas.

DONALD E. PURSELL

5. PRICE INDEXES

May 1985	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	321.3	103.7	103.7
Commodity component	287.0	102.4	102.3
Wholesale Prices	309.9	99.5	99.7
Agricultural Prices			
United States	231.0	89.2	91.7
Nebraska	228.0	88.7	91.8

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.



Source: Table 3 (page 4) and Table 4 below.

4. May 1985 CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago: Employment[1]	Building Activity[2]	Power Consumption[3]
The State	101.0	93.9	87.3
Alliance	100.4	70.0	77.2
Beatrice	99.4	232.8	88.8
Bellevue	100.7	60.9	81.2
Blair	100.7	146.5	113.6*
Broken Bow	101.0	4.2	82.5
Chadron	109.8	12,425.7	77.5
Columbus	97.9	104.6	82.7
Fairbury	99.5	366.3	89.9
Falls City	103.6	28.9	90.9
Fremont	101.6	102.8	109.7*
Grand Island	101.3	135.3	86.3
Hastings	98.7	106.4	138.5
Holdrege	101.7	36.7	89.8
Kearney	103.7	82.2	86.7
Lexington	100.5	82.4	75.9
Lincoln	101.8	108.4	96.6
McCook	99.7	105.4	80.7
Nebraska City	101.2	39.1	83.3
Norfolk	101.5	55.0	90.4
North Platte	101.6	106.9	78.9
Omaha	100.7	91.0	85.4
Scottsbluff/Gering	101.0	32.3	82.0
Seward	102.0	166.0	82.6
Sidney	101.1	142.0	91.0
So. Sioux City	98.5	65.3	100.4
York	100.8	131.1	91.5

[1] As a proxy for city employment, total employment for the county in which a city is located is used.
[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.
[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

1990 CENSUS CONFERENCE

A ONE DAY EVENT ON PLANNING THE BICENTENNIAL CENSUS OF POPULATION AND HOUSING
WEDNESDAY, SEPTEMBER 18, 1985
NEBRASKA CENTER FOR CONTINUING EDUCATION
33RD & HOLDREGE, LINCOLN, NEBRASKA

YOU ARE INVITED
to participate in a public meeting to discuss plans for the 1990 census with the Bureau of the Census.

The meeting is open to the public and all users and potential users of data, including:

* Government officials who use information to plan, direct, or evaluate programs such as urban or regional development, education, transportation, health, or employment.
* Business persons who use information to locate industrial plants or stores, to determine markets, or to make other decisions based on social and economic statistics.
* Community leaders interested in studying local trends, problems, or local needs.
* Scholars, researchers, and others interested in various social, economic, or housing problems.
* Private citizens, librarians, and others desiring information on the census.

1990 IS ONLY A FEW SHORT YEARS AWAY

The Census Bureau staff is currently reviewing the data needs of a wide variety of data users. Don't miss this opportunity to present your comments and offer suggestions on all phases of the census.

You may submit your suggestions in writing.

THE CENSUS BUREAU WANTS TO HEAR YOUR RECOMMENDATIONS REGARDING:

* Modifications or deletions of population and housing items.
* New population or housing subjects.
* Geographic detail needed by subject matter
* Geographic areas and products.
* Data products and formats.
* User guides and other material.
* User services.
* Publicity and community relations.

THE CENSUS BUREAU ALSO NEEDS TO KNOW:

* What 1980 data products did you find most useful?
* What were your problems in using the information from the 1980 Census?
* What new or unusual applications were tried?

THERE IS NO CHARGE TO ATTEND THE MEETING

GENERAL AGENDA
WEDNESDAY,
SEPTEMBER 18

8:30 a.m. Registration
9:00 a.m. Welcome and Introductions
Population Items and Issues
Public comments
Housing Items and Issues
Public comments
Data Products and Services Issues
Public comments
12:00 noon Lunch
1:30 p.m. Data Products and Services Issues, continued
Geographic Issues
Public comments
1990 Census Outreach
General Discussion

4:30 p.m. Adjourn

REGISTRATION
Please register in advance. Contact the Bureau of Business Research, 200 CBA, University of Nebraska-Lincoln, Lincoln, Nebraska 68588-0406, 402/472-2334. Space is limited, so please register early.

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